

STATEMENT:

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Mr. Chairman, Members of the Commission on Security and Cooperation in Europe, Ladies and Gentlemen, I am Edward Lozansky, President of the American University of Moscow and Kontinent USA Media Group. I am honored to appear before this Commission today. I thank the Commission for this opportunity to discuss the current situation in Russia and to offer some policy recommendations to promote the development of Russian democratic reforms and of U.S. – Russian cooperation.

However, I would be remiss if I did not first applaud the Commission for its long-standing and its continuing efforts to promote universal respect for human

rights, democracy and good governance around the globe. Having been exiled from the Soviet Union in 1976 for my public criticism of its political structure and its lack of respect for human rights, I can relay, with a very strong sense of personal gratitude, my appreciation for this body's efforts to help reunite my family and to address democratic, economic and human rights developments in Russia and other New Independent States.

Ladies and Gentlemen, this Commission's work on Russia is timely. With the recent inauguration of Vladimir Putin's second term as President of the Russian Federation and with the increasing necessity for cooperation between the United States and Russia on many urgent security and economic issues, this hearing is not only timely but, I assert, it is urgent.

After the great victory over the Nazis in WWII and collapse of Soviet communism the United States and the whole civilized world are now facing the new unprecedented challenge from international terrorism. Therefore we must build, maintain and expand the strong coalition of nations to address this challenge and to use our joint efforts to defeat the ruthless enemy. At the same time America needs to curtail the spread of the weapons of mass destruction (WMD), seek out the new sources of energy, solve ecological problems, and expand space exploration and nowhere is this more important than in the nexus of bilateral relations between the United States and the Russian Federation.

I believe, therefore, that the goal of this Commission toward Russia in the present period should center on adopting and promulgating, throughout the U.S. federal government, a more pragmatic approach to U.S. policy development toward Russia. I believe that it is extremely important that America develops and communicates messages and strategies that can encourage the Russian political leadership and, I add with specific emphasis, the Russian people, to embrace western values. We must be mindful, however, that without increased sensitivity to how our messages, policies, laws are interpreted, our best efforts can and, I regret to say, have been sometime counterproductive.

I need not remind this Commission of how far Russia has come toward the West in a relatively short period of time. Having lived in Russia and having suffered from the Soviet regime, having fully embraced America as my new homeland in 1977 and since 1988 – having returned to Russia on more than 100 occasions – I believe I am well qualified to remark on Russia's breathtaking transition.

Magazine "Kontinent" (Exhibit 1) founded by my good friend and prominent Russian writer Vladimir Maximov which I proudly represent in the United States for over 25 years, was one of the leading voices of Soviet and East European dissidents and human rights activists. It was published in Paris and then smuggled for distribution in the USSR. In addition to great literary and philosophical publications, Kontinent's Editorial Board and our many exiled

authors used to have meetings in Washington, Paris, London, and other Western capitals that produced a list of demands to the Soviet government and appeals to the West for the support of these demands. The items on our short list were as follows: freedom of speech and assembly, freedom of travel and emigration, a multi-party system, and eventual liberation of enslaved (captive) nations. Needless to say, not only Politburo and KGB considered us to be CIA agents at worse or mentally unstable at best but many in the West also did not believe that this is a realistic approach.

Well, we knew who was right when all these demands had been met within a remarkably short period of time, and USSR and the whole communist block had ceased to exist thus resulting in the birth of about two dozen of new free and independent nations, including Russia.

We all know that Russia's transition to freedom and democracy has not been smooth and perfect. The Yeltsin Administration was fractured and failed on many accounts, sometimes, arguably, with the cooperation of the U.S. Government (Exhibit 2). This document "Russia's Road to Corruption," prepared by Members of the Speaker's Advisory Group on Russia portrays many tragic mistakes and failures made by the United States during this time period. We want to make sure that lessons are learned and our future policies are more thoughtful and productive.

As we know, President Vladimir Putin replaced Yeltsin in the year 2000 and his first-term achievements are pretty impressive. Recovering from the political and economic chaos, large scale corruption, and the financial crisis of August 1998, Russia has since posted four years of solid economic growth, a one-third drop in poverty, a dramatic reversal in capital flight, and huge budget and trade surpluses. The "oligarchs" who were opening all Kremlin doors with their feet were called to order and the country has made great strides toward improving the quality of life for its people. Russia has become more consolidated and respected by its citizens, strengthened its influence in the world and, as stated many times by U.S. officials, is seen today as a serious and reliable partner on the international arena. Despite government control of the main TV networks, numerous cable and international channels as well as the Internet are filled with totally uncensored and often bitterly anti-government commentaries. I am especially delighted to say that our magazine "Kontinent" that could land you in jail under the Soviet regime is now published and distributed freely along with many other formerly underground publications. Moreover, even exiled or jailed oligarchs still control a substantive portion of the Russian print media. But what is even more important is the undisputable fact that President Putin enjoys overwhelming support of the Russian people and this has to be taken into account by American policy makers. We often hear public criticism from Washington about shortcomings of Russian democracy. Only last month the Committee on International Relations of the House of Representatives passed a resolution (HR-336) urging President Bush to expel Russia from the G-8 group

and not to seek the abolition of the Jackson-Vanik amendment. I believe that this resolution is wrong and, moreover, harmful to US interests. Russia indeed has a long way to go before it becomes a democracy in the Western definition of this term. However, is it a good policy to give such a damaging kind of public dressing down to a nation which achieved tremendous positive results during this extremely short transitional period from one of the world's most oppressive regimes to freedom? And is it in the United States interest to drive Russia out of the G-8 and continue to inhibit trade and investment in Russia, at a time when we urgently need to expand our security and energy cooperation, not shrink it? Is it fair to publicly criticize our partner in the anti-terrorist coalition for not "matching our basic values" and not building a fully developed democratic society in 12 years when it took us and the Europeans well over 200 years to do the same (we got started with it around 1619 in Jamestown) and, by the way, we are not perfect yet, are we?

We keep saying that modern Russia is our friend and partner. So, isn't it true that Russia should therefore be treated differently than the USSR? The public criticism of the Soviet Union was a legitimate part of our ideological confrontation. U.S. government and Congress, Voice of America and Radio Free Europe, numerous human rights organizations did a great job exposing Soviet violations of human rights and speaking on behalf of people who had no voice. As one of the "Cold War" warriors and strong proponents of such "interference in the internal affairs" of the Soviet Union, I think I have the moral right and obligation to say that at the present time when Russian people can freely express their opinions, form political parties, publish newspapers and books, travel abroad, and enjoy many other basic freedoms, they do not need such an interference and, moreover, they rightly resent it. I want to assure you that their intellectual potential and educational level make them perfectly capable of sorting things out by themselves. Therefore, I believe that instead of preaching and moralizing we should concentrate on mutually beneficial cooperation with Russia, such as the war on terrorism, energy, ecology, space, and many other areas. Cooperation serves to reinforce the hopes of Russians that it is a good thing for their country to be connected to the democratic world; the opposite of what is done by wanton gestures of humiliation, which serve to reinforce the old fears of the West.

Congressman Curt Weldon put together a group of about 50 experts (I am proud to be one of them) to develop a comprehensive program for such cooperation in the areas from agriculture to defense, to space, science, education, and culture (Exhibit 3). This program was supported by a bipartisan group of 142 Members of Congress but, unfortunately, so far the White House has paid little attention to it.

In the early days following the collapse of communism, when the first public opinion polls were allowed to be taken, America was the undisputable number one choice as potential ally. It is with great regret that we now observe the opposite attitude. Many Russians believe that America is now busy taking

advantage of Russia's weakness and is trying to squeeze Russia out of its sphere of influence within the CIS.

We at the American University in Moscow are trying our best to change this image for the better and in our articles in the Russian print media, radio and TV appearances, we are delivering the message that America is interested in a strong, prosperous and democratic Russia – an integral part of the Western civilization. However, I have to admit that such statements are usually met with high skepticism even by the most pro-Western circles of Russian society. In addition to bad policies I believe that this is also a result of poor public relations work by the U.S. government. There are many good things which are happening between the two countries but they remain largely unknown to the American or Russian public due to the lack of publicity.

At the same time we are witnessing the strong and well funded PR campaign which dismisses any positive achievements but emphasizes and often exaggerates certain aspects of Russia's transitional shortcomings. Full page ads attacking Putin are placed in the leading American newspapers, including the New York Times, the Washington Post and the Wall Street Journal. Members of Congress are lobbied, millions of dollars are being spent to undercut U.S. cooperation with Russia and you do not have to be Sherlock Holmes to understand who picks up the tab. The obvious question that we should ask: Is it ethical for U.S. organizations to accept the money to undermine a popularly elected president whom our own president has found to be a trustworthy partner in international affairs and whose help America needs and has benefited from in fighting terrorism? Needless to say, actions like these contribute to the negative image of the United States among the Russian people.

At the recent annual World Russian Forum in the United States Senate we heard several dozen speakers from two the countries that have developed many successful joint US – Russian business, science, and educational projects. Had the American and Russian publics known about these developments the results of opinion polls could be quite different.

I would like now to present several concrete steps for the consideration by this Commission that I believe will have an immediate and lasting positive impact on the bilateral relationship between the United States and Russia.

- 1) Establish a joint task force of American and Russian experts to further develop a comprehensive program for U.S. – Russian strategic cooperation in many areas to follow up on Curt Weldon's document (Exhibit 3). I am delighted to mention that the Russian Academy of Sciences has agreed to undertake this work and the American University in Moscow is contributing \$100,000 towards this effort but matching grants are needed to involve American experts.

- 2) Create a wide network of personal and Internet based contacts between

American and Russian entities: school to school, college to college, hospital to hospital, NGO to NGO, etc. Continue and expand science, educational and cultural exchanges to involve as many young people as possible. Taking into account the difficulties in obtaining visas to the U.S. the Internet contacts and distance learning technologies should be applied. The American University in Moscow has helped several hundred Russian students to obtain an equivalent of an MBA degree at no cost to them and we recently established a graduate school where a group of distinguished American and Russian scholars is working with Russian students to show how broad US – Russian cooperation benefits both countries. However, the scale of such programs has to be largely increased.

3) Taking into account the limited amount of funds allocated for Russia we must evaluate the quality of the previously funded programs, discontinue public funding of bad ones but continue support of those that proved to be very effective like, for example, BISNIS at the Department of Commerce (Exhibit 4). This project to facilitate business transactions between the United States and the New Independent States with the annual budget of \$1.9 million has produced nearly \$3.5 billion in U.S. exports and U.S. – Eurasian business activities since its opening in 1992.

4) Formulate and Implement a public relations campaign to present the success stories and show mutual benefits resulting from U.S. – Russian cooperation.

5) Organize regular public Forums in both countries for the open and frank exchange of ideas leading to the U.S. – Russian alliance similar to what American University in Moscow and Kontinent USA Media Group have been doing since 1991 but on a much larger scale.

6) Take all necessary steps to graduate Russia from the Jackson – Vanik amendment provisions as a country which no longer has any restrictions on free emigration as stipulated by this amendment.

7) Look into ways to upgrade the strategic cooperation with Russia through the Group of 8, and upgrade the global role of the G-8 in the process. Here we have a case of Russia joining a major institution that holds the West together across the Atlantic and the Pacific. It's an opportunity for us. Let's look into ways of using it instead of throwing it away.

In conclusion I'd like to state once again that the integration of Russia with the West is of vital interest to both sides. Many people who say that it is an impossible task are probably from the same school who considered those of us who demanded freedom and democracy in Russia only 20 years ago to be naïve dreamers at best. No one can dispute that with all the shortcomings of Russian democracy, we are much better off today than before. The West needs Russia as a strategic security ally and valuable trading partner and no efforts should be

spared to achieve this noble goal.

I thank the Commission for this opportunity to testify today. I would ask the Commission to accept my written statement and four (4) exhibits for the record. I welcome any questions or comments that may be so offered.

Thank you.